

CHAMPION IRON COMPLETES FIRST RAIL SHIPMENTS FROM THE BLOOM LAKE MINE'S PHASE II EXPANSION

Montréal, May 3, 2022 - Champion Iron Limited (TSX: CIA) (ASX: CIA) (OTCQX: CIAFF) ("Champion" or the "Company") is pleased to announce the completion of the first rail shipments containing 24,304 wet metric tonnes of high-grade 66.2% Fe iron ore concentrate from the Phase II expansion project ("Phase II") at the Bloom Lake Mine ("Bloom Lake"). The commissioning of Phase II was achieved ahead of schedule and the Company is working to gradually increase the mine and plant's capacity towards commercial production, which is anticipated to occur by the end of the calendar year 2022.

Champion's CEO, Mr. David Cataford, said: "Today we celebrate the culmination of our collective efforts as the Phase II expansion project comes to life. The Phase II project is expected to be in operation for decades and will provide the Québec Côte-Nord region with over 400 additional permanent high-quality jobs. Completing the project ahead of schedule, while facing the challenges imposed by the COVID-19 pandemic, is a testament to the agility and operational excellence of our employees and partners. With our high-purity iron-ore products contributing towards emission reductions in the global steel industry, I am excited by the potential of the several organic growth projects we are currently evaluating."

On June 20, 2019, the Company announced the positive results of the Phase II Feasibility Study (the "Feasibility Study"), prepared pursuant to National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") and Joint Ore Reserves Committee ("JORC") Code (2012 edition), which envisioned Bloom Lake's increasing its overall capacity from 7.4 Mtpa to 15 Mtpa of 66.2% Fe iron ore concentrate. The Feasibility Study proposed to complete the construction of the Phase II concentrator plant, which was partially built by the mine's former owner, and an optimized mine plan to accelerate the supply of ore to the expanded facilities while maintaining a life of mine ("LoM") of 20 years. The Feasibility Study evaluated a total pre-production capital expenditures of \$633.8 million, including deposits. The base case economic assumption utilized a conservative blended average gross realized price at 66.2% Fe CFR China of US\$84.1/t for the LoM, resulting in strong economics, including an after tax net present value discounted at 8% and internal rate of return of \$955.7 million and 33.4%, respectively.

Based on the Feasibility Study's findings, the Company obtained the Board of Directors' requisite approvals and procured the necessary financing to complete the Phase II project. Accordingly, the Company increased its credit facilities from US\$200 million to US\$400 million, which, together with the Company's cash on hand and ongoing cash flows from operations, enabled to fully finance the project without additional equity issuances. As of March 31, 2022, cumulative investments of \$625.2 million, including deposits, were deployed on the project.

The Company is not aware of any new information or data that materially affects the information included in the Feasibility Study and confirms that all material assumptions and technical parameters underpinning the estimates in the Feasibility Study continue to apply and have not materially changed. The Feasibility Study is available under the Company's filings at www.sedar.com, on the ASX at www.asx.com.au or the Company's website at www.championiron.com.

About Champion Iron Limited

Champion Iron Limited, through its subsidiary Quebec Iron Ore Inc., owns and operates the Bloom Lake Mining Complex, located on the south end of the Labrador Trough, approximately 13 km north of Fermont, Québec. Bloom Lake is an open-pit operation with two concentrators that primarily source energy from renewable hydroelectric power. The Bloom Lake Phase I and Phase II plants have a combined nameplate capacity of 15 Mtpa and produce a low contaminant high-grade 66.2% Fe iron ore concentrate with a proven ability to produce a 67.5% Fe direct reduction quality concentrate. Bloom Lake's high-grade and low contaminant iron ore products have attracted a premium to the Platts IODEX 62% Fe iron ore benchmark. The Company ships iron ore concentrate from Bloom Lake by rail, to a ship loading port in Sept-Îles, Québec, and sells its iron ore concentrate to customers globally, including in China, Japan, the Middle East, Europe, South Korea, India and Canada. In addition to the Bloom Lake Mining Complex, Champion owns a portfolio of exploration and development projects in the Labrador Trough, including the Kamistiatusset Project located a few kilometres south-east of Bloom Lake, and the Consolidated Fire Lake North iron ore project, located approximately 40 km south of Bloom Lake.

Forward-Looking information

This press release includes certain information and statements that may constitute "forward-looking statements" and "forward-looking information" under applicable securities laws. All statements other than statements of historical facts included in this press release that address future events, developments or performance that Champion expects to occur, including Management's expectations regarding (i) the Company's Phase II expansion project and its milestones, including commercial production timeline, capacity increase, life of mine, future operation and potential for job creation; (ii) the Company focus on growth opportunities and projects; (iii) the Company's vision to provide market leading high-quality iron ore products that offers a global solution to reduce emissions in the steel making supply chain; and (vi) the LoM of the Bloom Lake Mine. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates", "aims", "targets" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Although Champion believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such forward-looking statements involve known and unknown risks, uncertainties and other factors, most of which are beyond the control of the Company, which may cause the Company's actual results, performance or achievements to differ materially from those expressed or implied by such forward-looking statements. Factors that could cause the actual results to differ materially from those expressed in forward-looking statements include, without limitation: the results of feasibility studies; changes in the assumptions used to prepare feasibility studies; project delays; continued availability of capital and financing and general economic, market or business conditions; general economic, competitive, political and social uncertainties; future prices of iron ore; future transportation costs, failure of plant, equipment or processes to operate as anticipated; delays in obtaining governmental approvals, necessary permitting or in the completion of development or construction activities; the effects of catastrophes and public health crises, including impact of COVID-19 on the global economy, the iron ore market and Champion's operations, as well as those factors discussed in the section entitled "Risk Factors" of the Company's 2021 Annual Information Form and the Management's Discussion and Analysis for the fiscal year ended March 31, 2021, all of which are available on SEDAR at www.sedar.com, the ASX at www.asx.com.au and the Company's website at www.championiron.com. There can be no assurance that such information will prove to be accurate as actual results and future events could differ materially from those anticipated in such forward-looking information. Accordingly, readers should not place undue reliance on forward-looking information.

All of Champion's forward-looking information contained in this press release is given as of the date hereof or such other date or dates specified in such statements and is based upon the opinions and estimates of Champion's Management and information available to Management as at the date hereof. Champion disclaims any intention or obligation to update or revise any of its forward-looking information, whether as a result of new information, future events or otherwise, except as required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other

forward-looking statements. Champion cautions that the foregoing list of risks and uncertainties is not exhaustive. Investors and others should carefully consider the above factors as well as the uncertainties they represent and the risks they entail. Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control.

Qualified Person and Data Verification

Mr. Vincent Blanchet, P. Eng., Engineer at Quebec Iron Ore Inc., the Company's subsidiary and operator of the Bloom Lake Mining Complex, is a "qualified person" as defined by NI 43-101 and has reviewed and approved, or has prepared, as applicable, the disclosure of the scientific and technical information contained in this press release. Mr. Blanchet's review and approval does not include statements as to the Company's knowledge or awareness of new information or data or any material changes to the material assumptions and technical parameters underpinning the Feasibility Study. Mr. Blanchet is a member of the *Ordre des ingénieurs du Québec*.

For further information, please contact:

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For additional information on Champion Iron Limited, please visit our website at: www.championiron.com.

This press release has been authorized for release to the market by the CEO of Champion Iron Limited, David Cataford.

Unless otherwise specified, all dollar figures stated herein are expressed in Canadian dollars.